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UNCLAS WELLINGTON 000329

SIPDIS

SENSITIVE

DEPT FOR EAP/ANP

E.O. 12958: N/A TAGS: <u>PGOV</u> <u>PREL</u> <u>NZ</u>

SUBJECT: INDONESIAN AND MALAYSIAN LEADERS IN NEW ZEALAND: SOUNDING OUT ASIAN TIES

11. (U) Summary. The April 6-7 visit to New Zealand by Indonesian Prime Minister Susilo Bambang Yudhoyono (SBY) and the March 30-April 1 visit by Malaysian Prime Minister Abdullah Ahmed Badawi (Abdullah) were largely symbolic, but provided the GoNZ an opportunity to highlight its efforts to strengthen alliances within Asia. On April 18, New Zealand Ministry of Foreign Affairs and Trade (MFAT) Deputy Secretary John McKinnon briefed the diplomatic corps on the two visits, outlining their accomplishments. Highlights included the launch of free trade negotiations with Malaysia and positive discussions on NZ's possible participation in the upcoming East Asia Summit. End summary.

Schedules

12. (U) Both SBY and Abdullah met with the Governor-General, held bilateral talks with Prime Minister Clark, gave press conferences and attended a dinner hosted by Parliament. Both also had a session with the Cabinet, as they had each brought a significant number of Parliamentarians to NZ, and both met their respective communities in NZ. Abdullah met with Opposition National Party leader Don Brash and also presented a lecture in Auckland on Islam.

Malaysia: Free Trade

13. (U) The Malaysian visit produced a greater number of outcomes, primarily the announcement that the countries would launch free trade negotiations, with a target date of mid-2006 for completion. The GoNZ also announced that it would establish its fourth off-shore education consultant in Kuala Lumpur. (Note: The other three are in Washington, DC, Beijing and Brussels.) The PM and Abdullah exchanged views on the environment, regional issues and the upcoming East Asia Summit. (Note: NZ has indicated that Parliament is likely to sign the Treaty of Amity and Cooperation by the end of the year, which is a criterion for being invited to participate in the summit.)

Indonesia: Handshakes

14. (U) SBY's visit wa

- 44. (U) SBY's visit was delayed a week due to the March 28 earthquake off Sumatra. As McKinnon said, the Indonesian visit was more focused on "the basics" than the Malaysian, largely because NZ "does not have the same depth and history" in the bilateral relationship. McKinnon noted that the visit by Indonesia's first democratically elected leader presented a "good photo-opportunity" for NZ. The GoNZ and SBY worked to identify areas where they could enlarge the relationship, agreeing on education, direct air services, cooperation on the inter-faith dialogue and parliamentary exchanges. Other pronouncements included decisions to elevate the two countries' trade and economic commission to the Ministerial level and to further police cooperation on cross-border migration and similar issues. SBY also visited the National Museum "Te Papa Tongarewa" to see a demonstration of natural disaster mitigation techniques.
- 15. (SBU) Comment: While overall the visits were light on concrete deliverables, symbolism was rife, emphasizing NZ's expanded interests in Asian economic and political affairs. Pointing to NZ's increasing Muslim community, McKinnon noted that having Muslim national leaders visit provided the GoNZ with a range of views on issues facing Muslims in Asia. While PM Clark has had contact with both leaders in international fora, this was the first visit by a Malaysian head of government since 1996 and the first by an Indonesian leader since 2001. Media reporting on both visits was sparse, focusing, as befits an election year, on the use of police resources to protect visiting dignitaries.